

ORIGINAL

COMMISSIONERS
MIKE GLEASON - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE



0000070291

RECEIVED

ARIZONA CORPORATION COMMISSION

2007 APR -6 11:05

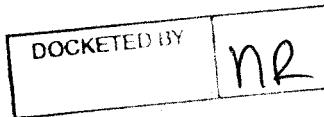
AZ CORP COMMISSION
DOCUMENT CONTROL

April 6, 2007

CERTIFIED MAIL

Arizona Corporation Commission
DOCKETED

APR -6 2007



Mr. Graham Symmonds
Senior Vice President
Global Water Management
21410 North 19th Avenue, Suite 201
Phoenix, Arizona 85027

RE: PICACHO COVE UTILITIES COMPANY AND PICACHO COVE WATER
COMPANY FOR CERTIFICATES OF CONVENIENCE AND NECESSITY.
DOCKET NOS. SW-20494A-06-0769 AND W-20495-06-0769

2nd INSUFFICIENCY LETTER

Dear Mr. Symmonds:

The applications of Picacho Cove Utilities Company and Picacho Cove Water Company for Certificates of Convenience and Necessity ("CC&N") have not met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C."). Pursuant to A.A.C. R14-2-411(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

To correct the deficiencies, please provide the following information:

1. Schedule of Service Line and Meter Installation Charges – Referring to (1) the Company's schedule CW-4 Attachment "D" Water Tariff schedule and (2) the Company's Schedule 4, "Representative Rate Schedule" for Picacho Cove Water, please provide a schedule of service line and meter installation charges for the following meter sizes:

- a. 5/8 inch x 3/4 meter
- b. 3/4 inch meter
- c. 1 inch meter
- d. 1 1/2 inch meter
- e. 2 inch meter
- f. 3 inch meter
- g. 4 inch meter
- h. 6 inch meter

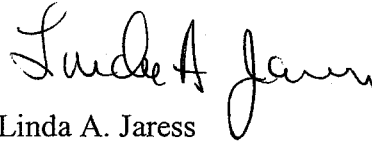
2. Contributions In Aid of Construction (Service Line & Meter Installations) – Referring to the Company's schedule CW-4 Attachment "D" Water Tariff schedule. This schedule indicates that a developer will contribute all service line and meter installation plant; however, no CIAC is reported in your application that reflects the cost of these contributions. Please revise your application so that it properly reflects the CIAC (e.g. on balance sheet and Schedule of Projected CIAC).
3. Detail of Plant (Service Line & Meter Installations) – Please provide the cost of services (account no. 333) and meter installations (account no. 334).
4. Detail of Plant (NARUC Account No.) – The descriptions of plant given in the "Pro forma Utility Plant In Service" provided in the March 21st "Notice of Filing Errata" for the water company appears to be descriptions of sewer plant. Please provide the "Pro forma Utility Plant In Service" by NARUC account number for water utilities.
5. Sewer Service Line Connection Charges & CIAC – Please provide a schedule of charges for sewer service line connections. Also, please revise your application so that it properly reflects the CIAC (e.g. on balance sheet and Schedule of Projected CIAC).
6. Consumption Charge Tiers – Please provide the range of gallons that will be used for each tier.
7. Deposit Interest – For both the water and sewer companies, please state the specific interest rate you plan to apply to customer deposits.
8. Land and Land Rights – For both the water and sewer companies, please state the cost of the land if known or estimated value if not known.
9. Is any of the land included in the proposed CC&N extension in the process of being annexed to the City of Eloy? If so, please illustrate on a map the proposed extension area with the area being annexed highlighted. Also, please describe the annexation process, provide an estimated time line for the annexation process and indicate where the land at issue falls on that time line.

Pursuant to the A.A.C. R14-2-411(C) for water and R14-2-610(C) for wastewater, the Commission has 150 calendar days to approve or reject this application after it is deemed sufficient. This time period would encompass a hearing, a Recommended Opinion and Order and a Decision from the Commission.

Mr. Graham Symmonds
Page 3

If you have any questions please contact me at 602-542-0859, Crystal Brown at 602-542-0864 or Marlin Scott at 602-542-7272.

Yours truly,

A handwritten signature in cursive script, appearing to read "Linda A. Jaress".

Linda A. Jaress
Executive Consultant III

LAJ:tdp

cc: Docket Control
Del Smith
Lyn Farmer
Brian Bozzo
Crystal Brown
Mr. Timothy Sabo, Roshka DeWulf & Patten, PLC